

## BUILDING COMMISSION

Budget Summary						FTE Position Summary
	2010-11	Governor		2011-13 Change Over		There are no full time positions authorized for the Building Commission.
Fund	Adjusted Base	2011-12	2012-13	Base Year Doubled		
				Amount	%	
GPR	\$25,283,100	\$12,502,100	\$46,447,900	\$8,383,800	16.6%	
PR	2,118,400	2,183,000	3,013,300	959,500	22.6	
SEG	<u>1,024,200</u>	<u>1,024,200</u>	<u>1,024,200</u>	<u>0</u>	0.0	
TOTAL	\$28,425,700	\$15,709,300	\$50,485,400	\$9,343,300	16.4%	
BR	\$364,300,000					

### Budget Change Items

#### 1. GPR DEBT RESTRUCTURING

BR	\$364,300,000
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**Governor:** Provide \$364,300,000 of general obligation refunding bonding for the purpose of restructuring outstanding principal on GPR-supported, general obligation bonds. Under the proposed restructuring, the proceeds from the authorized refunding bonds would be used pay \$332,637,600 in principal due in 2011-12 on state GPR-supported public debt that would otherwise be retired in that year. Although this bonding could be used to restructure both tax-supported and self-amortizing bonds, the administration indicates that only GPR-supported bonds would be restructured. These bonds could not be issued after June 30, 2013. In addition, GPR debt service amounts under the bill also reflect the administration's plans to restructure \$104,810,800 in GPR commercial paper principal that is otherwise scheduled to be retired in 2011-12.

Under the bill, the proposed debt restructuring actions would reduce individual agency, GPR debt service appropriations by \$437,448,400 in 2011-12. These reductions would occur from the use of the refunding bond proceeds to make the principal payments due in 2011-12 and by deferring payment on outstanding GPR commercial paper. Under both debt restructuring actions, the principal on existing general obligation debt and commercial paper remains outstanding for a longer period of time and thus additional interest costs would be incurred by the state. Consequently, under the bill, agency GPR debt service costs increase by a total of \$19,668,300 in 2012-13 associated with the initial interest payment on the expected ten-year amortization of the restructured principal amounts. (The fiscal effect of the debt service changes associated with the proposed debt restructuring are included in the "GPR Debt Restructuring --

Debt Service" entries shown under individual agency budgets). As a result of these restructuring actions, under the bill, GPR debt service would total \$208,947,900 in 2011-12 and \$682,769,700 in 2012-13.

[Bill Section: 798]

## 2. CURRENT LAW DEBT SERVICE REESTIMATE

GPR	\$26,623,400
PR	959,500
Total	\$27,582,900

**Governor:** Increase funding by \$6,317,200 GPR in 2011-12 and \$20,306,200 GPR in 2012-13 to reflect the current law reestimate of GPR debt service costs on state general obligation bonds and commercial paper debt issued for the following purposes. Increase funding by \$64,600 PR in 2011-12 and \$894,900 PR in 2012-13 for debt service on PR funded bonds.

	Current Law Debt Service Changes	
	2011-12	2012-13
<b>GPR Debt Service Appropriation</b>		
Capitol and Executive Residence	\$5,336,600	\$4,554,700
Amounts Not Initially Allocated to Agencies	760,900	14,105,100
Other Public Purposes	-746,200	35,000
Children's Research Institute	432,100	440,000
AIDS Network, Inc.	23,000	22,900
Grand Opera House in Oshkosh	12,500	40,200
Aldo Leopold climate change classroom and interactive library	12,500	40,200
Bradley Center Sports and Entertainment Corp.	252,000	387,100
AIDS Resource Center of Wisconsin, Inc.	61,100	61,100
Madison's Children Museum	19,200	19,100
Myrick Hixon EcoPark, Inc.	46,200	40,400
Marshfield Clinic	125,000	526,300
HR Academy Youth Center	6,100	11,500
Milwaukee Police Youth Activity Center	4,400	10,000
Hmong Cultural Centers	-29,400	-28,700
Civil War Exhibit at Kenosha Museum	16,200	16,100
Bond Health Center	-15,000	25,200
Total GPR	\$6,317,200	\$20,306,200
<b>PR Debt Service Appropriation</b>		
Energy Conservation Projects	\$64,600	\$894,900

## 3. GPR DEBT RESTRUCTURING -- DEBT SERVICE

GPR	- \$18,239,600
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**Governor:** Decrease funding by \$19,098,200 in 2011-12 and increase funding by \$858,600 in 2012-13 to reflect the changes in estimated GPR debt service costs for debt service appropriations housed under the Building Commission associated

with the proposed restructuring of general obligation bond and commercial paper GPR principal amounts that would otherwise be paid off in 2011-12. Other GPR funding adjustments relating to the GPR debt restructuring are shown under each individual agency's GPR debt service appropriation. Under the bill, the state would issue refunding bonds to restructure a portion of its outstanding general obligation GPR principal debt and would rollover the principal due on its outstanding commercial paper in 2011-12.

The following table lists debt service changes by bonding purpose for the proposed restructuring GPR principal amounts in 2010-11. The \$858,600 increase in debt service for 2012-13 is associated with the initial interest amount due on the additional debt issued to replace the 2011-12 restructured principal amounts.

	Building Commission Restructuring <u>Debt Service Changes</u>	
	<u>2011-12</u>	<u>2012-13</u>
<b>GPR Debt Service Appropriation</b>		
Capitol and Executive Residence	-\$9,709,700	\$435,800
Amounts Not Initially Allocated to Agencies	-7,550,000	341,100
Other Public Purposes	-1,035,800	40,400
Children's Research Institute	-526,400	28,600
AIDS Network, Inc.	-9,100	500
Bradley Center Sports and Entertainment Corp.	-75,600	3,500
AIDS Resource Center of Wisconsin, Inc.	-24,200	1,100
Madison's Children Museum	-7,600	400
Myrick Hixon EcoPark, Inc.	-15,200	700
HR Academy Youth Center	-66,200	2,900
Milwaukee Police Youth Activity Ctr.	-53,600	2,400
Hmong Cultural Centers	-8,600	400
Civil War Exhibit at Kenosha Museum	<u>-16,200</u>	<u>800</u>
Total GPR	-\$19,098,200	\$858,600